GOVERNMENT OF MADRAS.

. H 28, New Sectt. II-16-
71,006—28-1-55.

Pub(RDP II) (1955) Department.

~~Endorsement~~
~~D.O.~~
~~Memorandum~~
~~Lodged~~

No. 1356 Pub(RDP(II))/55-2

Dated 23-3-1955

Passed

3

Sup dt.

**FURTHER PAPERS.**

| Department. | Number. | Series. | Date. |
|---|---|---|---|
| | | | |

Ref: 412/55.C.

Project Executive Office, S.K.,
Mangalore, Dated 11--2-1955.

From
Sri. H Narasimh
Project Executive Officer,
South Kanara, Mangalore.

To
The Director of Community
Development, MADRAS.

Sir,

COMMUNITY PROJECT--South Kanara--Organisation of 1356
Coop. Societies--Delays--Reported.

--

It is noticed that the cottage Industries Societies organised by the Senior Inspector of Coop. Societies attached to this Community Project area take a long time for registration and enquiry shows that this is due to the fact that every proposal has to be submitted to the Registrar of Coop. Societies and his approval should be obtained before registration by the Deputy Registrar. The enthusiasm created in organising these societies waves away, by the time the society is registered and the delay in registration after collecting share capital sometimes gives room to adverse criticism. After all such societies relate to small scale cottage Industries and given certain standing orders on the subjects, the Deputy Registrars may be made competent to register them without reference to the ~~xxxx~~ Registrar of Coop. societies, Madras in whose office, proposals get stuck up for some time and then further references are made. There are typical cases of societies organised in January 1954, March 1954, April 1954 and June 1954 still pending registration. A list is enclosed.

→ p 3 infra.

I request that in the interest of speedy registration, the existing rules may be modified so that the Deputy Registrars may be permitted to register the societies without reference to Madras.

Yours faithfully,

A. Vishalakshi
21/2/55.
For Project Executive Officer.

Encl: List.

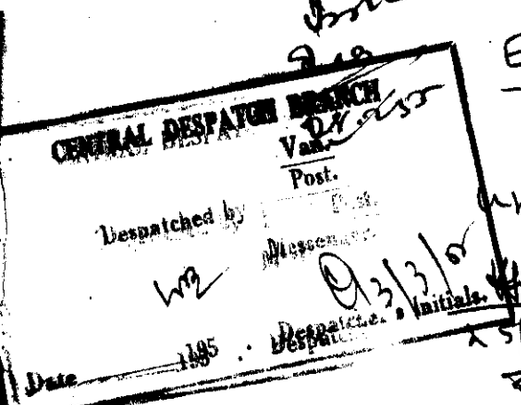
9 16/2

Pub(RDP II)

Endorsement No 1356 RDP II/55-1 dated 28/2/55

Referred to the R.C.S for urgent remarks.

28/2/55




25/2/55

25/2/55

To
The R.C.S.
Madras
(with copy of cf)

## List of Coop. Societies pending for registration:

| No. | Name of the proposed society. | Date of Submission of report. | Date submission to Registrar Madras. | Date returned. | IInd reference to Registrar. | IInd return. | IIIrd reference to Registrar. | IIIrd return. | Remarks. |
|---|---|---|---|---|---|---|---|---|---|
| 1. | Mulky Cottage Industries Society. | 3-1-54. | 24-9-54. | 11-11-54. | -- | Pending with the D.R.of C.S.Mangalore. | | | Pending resubmission to Registrar of Coop. Societies for approval for the IInd time. |
| 2. | Karkal Bee Keepers' Coop. Society. | 12-4-54. | 3-6-54. | 14-7-54. | 27-8-54. | 8-10-54. | 20-10-54. | 5--11-54. | Pending resubmission for the IVth time for approval. |
| 3. | Naravi Soap Stone Cutters Coop. Society. | 23-3-54. | 21-7-54. | 11-10-54. | 24-11-54. | 20-1-55. | | | Pending resubmission for the IIIrd time |
| 4. | Madradi Basket Makers Coop. Society. | 12-6-54. | 12-12-54. | Pending with registrar of Coop. Societies, Madras. | | | | | |
| 5. | Moodabidri Building Coop. Society. | 8-8-1954. | 8-7-54. | 7-8-54. | 21-8-54. | 1-11-54. | | | Registered on 31-12-54. |

Nos. 1 to 4 are pending registration.
No. 5 is registered recently.

/-True Copy-/

5/

CO-OPERATIVE DEPARTMENT.

From
Sri A. Palaniappa Mudaliar, M.A.,
Registrar of Co-operative
Societies, Chepauk, Madras.

To
The Secretary to Government,
Rural Development Projects
II Department,
Fort St. George, Madras.

No. Rc. 33438/55 V, dated 12-3-1955.

ASSISTANT SECRETARY 1953 15MAR1955 RURAL DEVELOPMENT PROJECT(S), GOVT. DEPT.

Sub:- Community Project areas - South Kanara - Organisation of Co-operative Societies - delays - Regarding -

Ref:-- Government Endorsement 1356 Public RDP II/55-1 dated 18--2--1955.

In the letter received with the Government Endorsement cited, the Project Executive Officer, South Kanara has stated that the registration of Cottage Industries Societies organised by him takes a long time and that this is so, because the Deputy Registrars have to refer every proposal to me for obtaining my previous permission for the registration of the cottage industries cooperative societies. It is true that under the existing instructions, the Deputy Registrars have to obtain my orders in each case. Before pointing out the need for such a procedure, I should mention in the first instance the various reasons which stood in the way of my according permission for the registration of the four organisation proposals cited by the Project Executive Officer.

(i) Mulky Cottage Industries Cooperative Society :--

Organisation proposals were first received in my office from the Deputy Registrar, Mangalore on 30-9-1954. The proposals were for combining six different industries viz. mat making, poultry-farming bee-keeping, basket making, coir making and Khadi-spinning, in one and the same society. But they were utterly incomplete and vague, in that the economics of each industry was not discussed and its survival value explained in any convincing manner with facts and figures. While the proposals included the sanction of state subsidies, the amount of subsidy required in each case was not stated at all. On the other hand, a vague statement was made to the effect that subsidies, if any, for the purchase of raw materials and implements might be given. Surely, I am not expected to approve such incomplete and vague proposals immediately on receipt merely to satisfy the over-enthusiasm displayed in organising the society. Therefore, I had necessarily to return the proposals to the Deputy Registrar for resubmission with all the details required by me. To a reminder issued from my office, I got the reply from the Deputy Registrar that the proposals were referred to the Project Executive Officer. To another reminder issued from my office, the Deputy Registrar replied on 1--2--1955 that he had received the proposals from the Project Executive Officer and that he was scrutinising them. To a third reminder the Deputy Registrar reported on 25-2-1955 that the revised proposals too were found defective and that they had to be returned to the Project Executive Officer again for rectification. The proposals are, therefore, not pending with me.

2. Karkala Bee-keepers' Cooperative Society :-

Proposals were first received from the Deputy Registrar in my office on 11-6-1954. Here again, the economics of the proposals were not furnished in the form prescribed for the purpose and consequently, the survival value of the industry could not be judged. The proposals had therefore to be referred to the Deputy Registrar. To a reminder issued from my office, I got the reply from the Deputy Registrar that the matter was pending with the Project Executive Officer. Even the economics received subsequently were not complete. Added to it, the draft bylaws received were not according to the model prescribed. The proposal had therefore to be returned to the Deputy Registrar for a second time. Two reminders were then issued from my office and a reply was received from the Deputy Registrar on 10-1-1955 that the revised proposals received from the Project Executive Officer were again defective and had, therefore, to be returned by him for further rectification. Revised proposals were received in my office on 11-2-55. Even then, it has not been made clear whether the initial share capital has been collected from the members, which alone can prove the enthusiasm and interest of the promoters. I have, therefore, addressed the Deputy Registrar in the matter and am awaiting his report.

3. Naravi Soap Stone Cutters' Cooperative Society :-

Proposals were first received in my office on 2-8-1954. It was noticed that the credit limit of the proposed society was not correctly worked out, in that the share capital expected to be collected was insufficient to borrow Rs. 4,000/- required for the society's working capital even at the very start. The economics of the industry were not furnished completely either, in order to enable me to assess the survival value. The proposals were, therefore, returned to the Deputy Registrar. To a reminder issued from my office on 16-11-1954, I got a reply from the Deputy Registrar to the effect that the proposals were under consideration of the Project Executive Officer. On 2-12-1954, the Deputy Registrar reported that it was not possible to collect the required share capital from the members and that the Handicrafts Board had to be approached for a subsidy towards share capital. I had, therefore to call for further report in order to consider the survival value of the industry. The Deputy Registrar has finally reported that it is not possible to collect more than Re. 1/- per member towards share capital. Thus there is no scope for the society to raise the required working capital even at the very start, without a subsidy to be obtained from the Handicrafts Board. I have addressed the Deputy Registrar to find out from the Project Executive Officer, whether he could secure the required financial assistance from the Handicrafts Board. I could not therefore approve the proposals and permit the registration of the society particularly when the possibility of obtaining the required working capital itself was doubtful.

4. Mudradi Basket Makers' Cooperative Society :-

Proposals have not been received so far for the organisation of a basket makers' society at Mudradi.

With regard to the or[illegible]
the Kudiyas at Muniyal in the Ajekan Firka, I have [illegible]
addressed Government for the sanction of free grants
before registering the society (vide my Rc. 70684/54 V
dated 22-2-55 in reply to D.O. letter No. 12912/K/54-18
dated 11-6-1954 from the Secretary to Government,
Department of Industries, Labour and Cooperation) In
the meantime, the All India Handicrafts Board also
furnished me with a copy of the Senior Inspector's
report for organising a basket makers' cooperative
society at Mudradi, but neither the application from the
promoters nor the draft bylaws have been received yet.
I have asked him to report whether the proposals in both
the cases (viz. Mudradi and Muniyal) are one and the same
and relate to the same area. I am awaiting his reply.
No proposal is, therefore, actually pending consideration
under this item.

2. It is not known how from the facts set-
forth above, the Project Executive Officer, has drawn
the conclusion that the proposals have got stuck up in
my office and how he has chosen to suggest that the
Deputy Registrars may be permitted to register societies
without obtaining my previous permission. The instructions
that the Deputy Registrars should obtain my previous
permission, apply not only to cottage industries societies
but also to all special types of societies, such as
marketing societies, motor transport societies, building
societies, house construction societies, labour contract
societies etc. The need is obvious. Either these socie-
ties involve considerable working capital and business of a
technical nature or they are institutions requiring very
small capital, but which cannot thrive in the initial
stages without financial assistance from Government. The
cottage industries societies belong to the latter category.
That the organisation of these societies should be considered
with special care, with particular reference to their
survival value has been emphasised by Government - Vide
G.O. No. 2271 Public (RDP II) Dated 23-11-1954. The four
proposals cited by the Project Executive Officer did not
satisfy the fundamentals of organisation. I had to issue
reminders to get the proposals in a complete form. Haphazard
organisation will not make for the soundness and stability
of the institutions so formed. In order to ensure this,
due care has to be bestowed on organization work, specially
now when the State aid is being sought for the various ways
and the moneys now should be properly utilised. This apart,
there is also the need to adopt a more or less uniform policy
in the matter of organisation of these societies with
reference to the financial assistance required, facilities for
marketing the products etc. The Deputy Registrars who are
working in a limited area cannot be expected to have a wide
knowledge of the implications of each scheme. If left to
themselves it is likely that they may register societies
in an indiscriminate manner, involving improper utilization of
State Subsidy. The Project Executive Officer has stated
that the societies were organised by the Senior Inspector
of Co-operative Societies, attached to his office. But I
consider that the Senior Inspector could have been guided
properly to submit complete organisation proposals with all
the required data even at the very out-set and this should
have avoided any disappointment.

(V) — B — A

for Registrar.

A.V.C. 14-3.

22/14/3

Pub(RD)(II)

To AS

Please see the reference from the PEO, Mangalore at pp 1-3 ante, the Govt Endt at p.1. ante and the report of the R.C.S thereon at pp 5-7 ante.

2. The R.C.S has explained the various reasons which stood in the way of the speedy registration of the cooperative Societies in the South Kanara Project Area. In the circumstances stated by him, no action seems necessary w.r. to '2' on p.1. ante. The PEO Mangalore may be informed accordingly. Subject to orders, a draft memo is submitted for approval.

19/3/55

22/3/55

22/3/55

D.S

23.3.55

Memo No 1356 Pub (RDP II) / 57-2 dt 22-3-55

Community Projects - South Kanara - Organisation of Co-operative Societies - Delays.

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pp 1-3 of — From the P.E.O. Mangalore Ref 412/57C dt 11/2/55
pp 5-7 of — From the R.C.S. No Rc 33438/57V dt 12/3/55

— x —

+ p. 1 of — The Govt have examined in +consultation with the Registrar of Co-operative Societies the question of permitting the Dy Registrars to register Co-operative Societies without the prior permission of the R.C.S. It is ✓ pp 5-7 of — observed from the ✓report of the R.C.S that the delays in ~~the Registration of~~ the four organisation proposals referred to by the P.E.O, Mangalore in his letter cited were due only to the pp 3-5 of — failure of the Senior Inspector of the Co-operative Societies attached to the South Kanara Project Area to submit complete Vide 'A' on p 7 of — organisation proposals with all the required data even at the very outset. The P.E.O is requested to issue suitable instructions to the Senior Inspector

that complete organisation proposals with full details regarding the economics of the proposals, the survival value of the industry to be developed, the required working capital, the initial share capital collected etc should be submitted in future to avoid delays in the registration of the Societies. The Govt do not consider it necessary to modify the existing rules in this regard as suggested by the P.E.O. in his letter cited.

21/3/55

22/3/55

22/3/55

To

The P.E.O, Mangal
Copy to the R.C.

* in view of 'D' on p.7 of

✓ para 2 on p.1 of

⊕ pp 1-3 of

CENTRAL DESPATCH BRANCH

Despatched by

Date 28/8/55 Initials.